Physical location reporting without user intervention should be an optional service, not required of every VOIP connection - the side effects of mandating this, as Declan McCullagh points out in his editorial on CNET, of the various proposals are unnecessary costs (elimination of purely software based solutions, as it is unlikely that a complete wireless database will every be assembled, potential threats to civil liberties and personal freedom arising from the ability to track end user locations, and unfortunate precedents for government intervention and tracking of individuals who have committed no crime and drawn no suspicion.

If you mandate GPS location reporting, then you essentially ban any and all software based VOIP systems.

Further, placing regulations of this sort exclusively on VOIP systems that interconnect with the PSTN places an unreasonable burden on such companies, vs. companies that do not... ultimately, as all phone systems are virtualized, a phone number will essentially become nothing except an arbitrary string - just like a Yahoo ID is. Why should a company making it possible to enable your friends to contact you via an arbitrary string of numbers be regulated, when one that allows your friends to contact you through an arbitrary string of alphanumeric characters isn't?

Such a design also disincentivizes VOIP companies from interconnecting to the PSTN, and instead insures a continued and ultimately artificial fragmentation of the voice communications market. Please do not impose these regulations.